Gren ESG report 2024

Gren

THIS IS GREN. Gren develops and delivers energy solutions ranging from sustainable district heating to renewable and industrial energy. Gren is already an established energy supplier in Northern Europe, running over 700 km of pipelines under cities in Estonia, Latvia, Lithuania, and the UK, and warming the equivalent of 297,000 homes and 600 commercial premises. Gren's managed networks, replacing individual boilers in homes and premises, are growing the heat delivery capacity in Baltics and the UK.

Gren was acquired by Partners Group in 2021, on behalf of its clients. Partners Group is one of the largest firms in the global private markets industry, with around 1,800 professionals and over USD 150 billion in assets under management globally.

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Year 2024

By optimizing our asset base and building engaged teams, we have connected more customers to reliable, decarbonized energy.

CEO'S REVIEW

FOREWORD BY OUR CEO

2024 was a year of meaningful progress for Gren. We pursued strategic investments and enhanced our efficiency, improving communities' access to affordable renewable energy across the Baltics and the UK.

As Europe's energy landscape evolves, security and affordability remain vital for people and industries alike. Gren's role extends beyond supply – we actively support regional competitiveness by ensuring that businesses and industries have access to reliable and fairly priced energy resources.

Throughout the year, we strengthened our operational excellence and upheld high safety standards at our facilities. By optimizing our asset base and building engaged teams, we connected more customers to reliable, decarbonized energy.

The numerous projects we completed improving efficiency at our plants will also extend those facilities' lifetimes. Enhancements like flue gas condensers and heat pumps not only boost renewable energy production in the regions where we operate, but also take us closer to a more sustainable energy future – one step at a time.

BUILDING A DECARBONIZED FUTURE

A landmark venture in 2024 was our acquisition of a 50% stake in the South Clyde Energy Centre in Glasgow, Scotland. This cutting-edge facility will convert 350,000 tonnes of material that would otherwise end up in landfill into energy annually, generating enough electricity to power 70,000 homes. It also produces a substantial amount of heat in the heart of the United Kingdom's third-most-populous city.

The successful launch of Energy on Clyde aligns with the UK's net-zero ambitions for 2050. The project will distribute the energy created through district heating and private wire to local businesses and district heating systems, forming the largest low-carbon district heating network in the United Kingdom.

We also advanced our business in the Baltics, where our Industrial Energy Services (IES) business signed a major agreement with Juodeliai, Europe's leading wooden pallet blanks manufacturer, in Lithuania. This collaboration will optimize Juodeliai's Marijampolė site by converting wood processing residues into essential industrial heat.

Our ongoing project development achieved important milestones, including our acquisition and integration of a new biomass-based Combined Heat and Power (CHP) plant in Riga. This addition doubles Gren's operational

biomass-based production in the Latvian capital's network. Furthermore, we invested into building additional flexible and high-efficiency biomass capacity in Riga. The new plant, located next to our existing Gren Riga unit, will enhance overall operational efficiency.

We also announced the launch of an environmental impact assessment for a Waste-to-Energy (WTE) site in Acone, Latvia. Scheduled to begin operating in 2029, the new plant will feature advanced technologies that meet highest safety standards.

In Estonia, our business expanded to a new city with the acquisition of an integrated district heating production and distribution company operating in Viljandi, further strengthening our presence in the region. We also launched significant infrastructure upgrades, co-funded by the European Cohesion Fund and European Regional Development Fund, future-proofing our networks by replacing outdated sections with more efficient infrastructure.

POSITIVELY DIFFERENT ENERGY. IN ACTION.

We are immensely proud of the strong customer satisfaction and long-term trust we have built over decades of successful operations. Our ability to innovate and deliver value for the customers and communities we serve ensures that we remain a relevant and valued partner in the long run. Our approach is straightforward: to consistently achieve a proven positive impact.

To advance our customer-focused investment initiatives, our team expanded throughout the year. Several significant projects being systematically developed in our pipeline, eventually leading to investment decisions and operational installations.

We welcomed many new colleagues to Gren through acquisitions. Employee engagement remained strong among our 574 personnel at year-end, demonstrating a workforce committed to our core values and mission of energizing the future. By conducting regular surveys and gathering feedback, we ensure that our employees' perspectives continue to influence our direction.

Making certain that all our employees and contractors return home safely at the end of each working day will always be one of our greatest responsibilities. In 2024, we successfully maintained our Safety Index at a high level of 98.24. This accomplishment reflects our ongoing commitment to cultivating a robust safety culture.

As we adapt to the changing energy landscape, our mission remains clear – to deliver affordable, decarbonized energy that leverages locally sourced fuels and remains stable against global market fluctuations. We are committed to working hand in hand with societies, cities, and governments in this effort, driving lasting change.

To our customers, investors, partners, and employees – thank you for your trust and support as we progress towards a more sustainable future.

Ilkka Niiranen

CEO

KEY FIGURES

CO_2 intensity value (gCO_2e/kWh) **86**

574
Number of employees

Share of women in Gren management team **27%**

81
Employee engagement index survey result

CO_2 decrease from baseline **22,4%**

Lost time incident frequency rate (LTIFR)* **3.44**

CO_2 emissions (tCO_2e) **254,000**

Sustainable fuel sourcing: Sustainability certification of biomass fuel **95%**

Share of fossil fuels **4.9%**

*For Gren employees not including subsidiary Eleport

2024 HIGHLIGHTS

24 January 2024

We commenced studies for producing heat from wastewater in cooperation with Tartu Veevärk

Read more here

28 March 2024

We acquired Rīgas enerģija – a sustainable energy producer in Riga

Read more here

16 May 2024

We announced plans to invest EUR 200 million in the Baltic's most modern waste-to-energy plant in Acone, Latvia

Read more here

11 June 2024

We acquired a stake in the South Clyde Energy Centre in Glasgow, Scotland

Read more here

19 June 2024

Gren joined Juodeliai's production expansion with sustainable energy through Industrial Energy Services

Read more here

23 September 2024

We acquired the energy company Esro in Viljandi, Estonia

Read more here

12 December 2024

Commencing the project for the installation of a 20 MW electric boiler at Jelgava CHP plant

Read more here

Our business and strategy

OUR BUSINESS

HELPING CUSTOMERS, COMMUNITIES, AND CITIES ACHIEVE THEIR CLIMATE GOALS

At Gren, we are powering the transition to a sustainable tomorrow by delivering renewable energy solutions to households, businesses, and municipalities across the Baltics and the UK.

We deliver environmentally sustainable district heating, cooling, and industrial energy services, enabling communities to make the shift towards renewable energy.

INVESTING IN THE ENERGY TRANSITION – ONE ASSET AT A TIME

Technological advances and economies of scale are increasingly making renewable energy production more affordable and reliable. This progress is enabling the global push away from fossil fuel reliance.

We are helping to drive this renewable and circular energy revolution, leveraging cutting-edge technologies to cut emissions and fight climate change. This is a global movement that demands significant capital, and Gren's ability to invest patiently yet profitably is key to accelerating progress.

LOCAL ENERGY. GLOBAL CHANGE.

Our approach seeks to offer value for all stakeholders–employees, customers, investors, communities, business partners, and the environment. Additionally, we are enhancing sustainability and cost efficiency at our industrial customers' sites.

We are not just building a business – we're advancing cleaner energy alternatives, fostering employment, and stimulating investment in the communities where we operate.

This is how we empower society to take meaningful steps towards a sustainable future.

VALUE CREATION

Resources

FINANCIAL ASSETS
- Investments into new operations, CAPEX and OPEX into existing operations, Subsidies

→ Financial

PRODUCTION ASSETS
- 13 Combined Heat and Power (CHP) units
- 351 heating boilers
- 3 district cooling plants
- 2 heat accumulation units
- 1 wind power generator
- 719 km of district heating network

→ Manufactured

FUELS
- Biomass: 2,886 GWh
- Waste fuels: 1,091 GWh
- Fossil fuels: 203 GWh

→ Natural

WORKFORCE
- 574 employees
- Corporate culture emphasizing well-being at work
- Continuous skill development

→ Human

CUSTOMERS AND COMMUNITIES
- About 37,000 long-term customers, both B2B and B2C
- Cooperation with residents, cities, energy sector, and governments
- Partner networks and strong community investments

→ Social

INTANGIBLE ASSETS
- Brand and business model
- Industrial energy service concepts

→ Intellectual & intangible

Outcomes and impacts

Financial →

FINANCIAL OUTCOMES
- Revenue and other operating income 268 M€ in 2024

Manufactured →

ELECTRICITY, HEATING, AND COOLING SERVICES
- 695 GWh of electricity
- 2,247 GWh of heat
- 13 GWh of cooling

Natural →

EMISSIONS TO AIR
- 254,000 t fossil CO_2e
- 1,240,000 t biogenic CO_2

Human →

OUTCOMES FOR EMPLOYEES
- Employee salaries, benefits, and incentives
- Safe and meaningful work

Social →

OUTCOMES FOR COMMUNITIES
- CSR programs & Philanthropy 94,000 EUR in 2024
- Volunteering

Impact →

SOCIETAL IMPACT AS ENERGY PROVIDER
- Heating for the equivalent of 297,000 homes
- Power for the equivalent of 250,000 homes
- 140,900 tCO_2e reduction compared to gas generated electricity
- 2,513 GWh renewable energy generated

WE CONTINUED TO IMPLEMENT OUR GROWTH STRATEGY IN 2024

In 2024, we advanced our position as a leader in the energy transition through strategic growth and innovation.

By optimizing our existing energy assets and launching new projects, we strengthened our operations. This allowed us to expand our market presence in the Baltics and the UK, and we also opened our office in Sweden during 2024.

At the end of the year, our team included 574 dedicated employees.

Strengthened sales activities enabled Gren Estonia to connect new customers

In 2024, we signed a total of 140 new district heating and cooling contracts totaling 28.5 MW.

Early in the year, we partnered with Tartu Veevärk, the municipal waterworks, to develop heat production from wastewater. Using heat exchangers and pumps, this energy will be redirected into the district heating system. Investments in efficiency, such as the Pärnu flue gas condenser and the transition from gas to biofuel through the renovation of our Pärnu Suur-Jõe HOB bio boilers, contributed to cost savings in Estonia. In Tartu, the installed heat accumulator also had a positive impact on efficiency and costs.

Declining fuel prices and the drop in gas prices were key themes for the year. We lowered heating prices in Tartu and Pärnu. Optimized power plants helped maintain stable cash flow despite volatile electricity prices. Additionally, our fuels were certified per the Renewable Energy (RED II) Directive.

Between 2024 and 2026, Gren Estonia will invest over EUR 20 M in upgrading heating networks in Tartu, Pärnu, and Ida-Virumaa. After acquiring energy company Esro, we began operating in the Viljandi region. We now have four heating network locations: Tartu, Pärnu, Viljandi, and the Jõhvi, Kohtla-Järve, and Ahtme regions in Ida-Virumaa.

We produced a total 1,103 GWh of heat, cooling, and power in Estonia during the year.

Gren Latvia is set to invest EUR 200 M in building a waste-to-energy plant in Acone, Latvia

Amid fluctuations in the European energy market caused by geopolitical tensions, high demand, and variable renewable energy outputs, Gren Latvia acquired the combined heat and power (CHP) plant of the company Rīgas Enerģija. The facility continues supplying competitive and sustainable district heating generated from local, renewable woodchips to Rīgas Siltums, the operator of Riga's district heating system.

In May, we announced plans to invest over EUR 200 M to construct a waste-to-energy (WTE) plant in Acone. Expected to begin operating in 2029, the new plant will use the safest and most modern technologies for energy recovery from waste. We took the first steps to develop the project, organizing discussions with different stakeholder groups and starting the environmental impact assessment process during the year.

Efficiency improvements, such as the planned installation of a 20 MW electrical boiler at our CHP plant in Jelgava city, will reduce our environmental footprint in both production and heat distribution while ensuring a reliable energy supply for communities.

Throughout 2024, we also continued to develop solutions to meet the unique energy needs of industrial customers in Latvia.

We produced a total 729 GWh of heat and power in Latvia during the year.

Gren Lithuania delivered heating to seven cities in 2024

Our acquisition of UAB Šiluma miestams included heat production and supply companies in the Akmenė and Trakai districts, as well as independent heat producers in Vilnius and Visaginas. Together, these assets supply approximately 204 GWh of renewable, biomass-based energy annually, with a production capacity of 112 MW.

Consistent with Gren's approach, our assets prioritize the use of local renewables and waste, with over 90% of energy produced from these sources.

In 2024, we operated energy assets across seven Lithuanian cities: Joniškis, Klaipėda, Naujoji Akmenė, Švenčionys, Trakai, Vilnius, and Visaginas. Our total heat production capacity amounted to 248 MW.

A highlight of 2024 was our strategic partnership with UAB Juodeliai, a leading European manufacturer of wooden pallet blanks. Gren will finance, design, build, operate, and maintain the energy infrastructure for Juodeliai's Marijampolė site, ensuring reliable and efficient energy supply throughout its lifecycle.

We produced a total 861 GWh of heat and power in Lithuania in 2024.

Investing in sustainable energy in the United Kingdom

To further our aim of accelerating the renewable energy transition, we acquired a 50% stake in South Clyde Energy Centre, a waste-to-energy facility located in Glasgow, Scotland. Once operational, the new plant will produce electricity and heat from non-hazardous domestic and commercial waste residuals left after the recycling process.

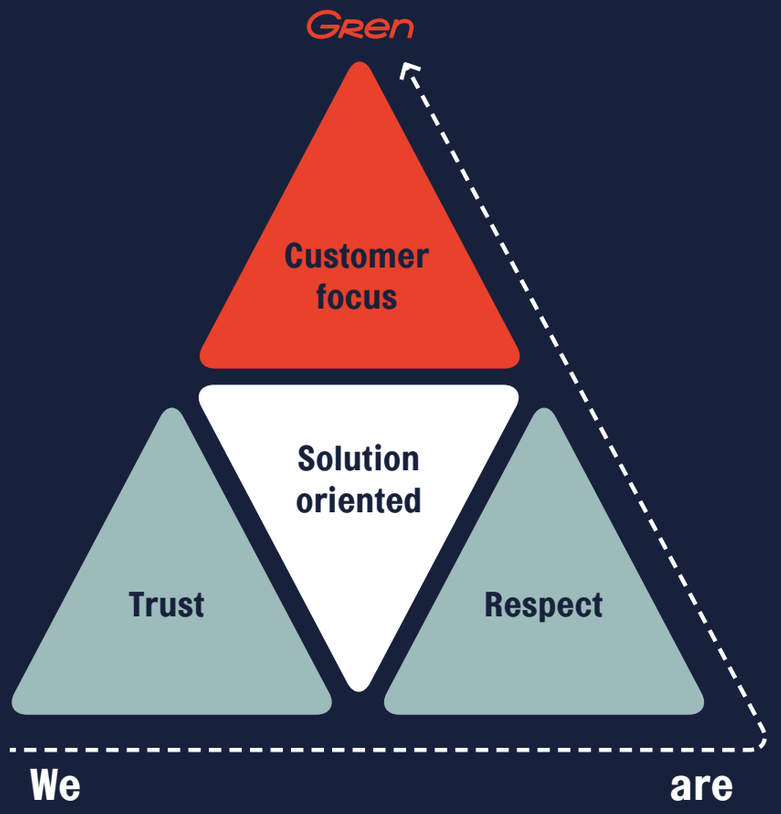
Our existing portfolio also includes the Widmerpool Biomass Plant in Nottingham, plus a range of other facilities that supply heat to networks serving industrial, public, and commercial clients. These assets use locally sourced fuels and contribute dispatchable baseload electricity to the local grid.

Additionally, we strengthened our people strategy by establishing a regional hub in Newcastle to complement our London office. Our various facilities also serve as dynamic working hubs, fostering a people-centric culture that embraces flexibility and collaboration.

In the UK, we produced a total 261 GWh of heat and power in 2024.

OUR STRATEGY

ENERGIZING A SUSTAINABLE FUTURE



Our commitment to sustainable growth drives us to continuously seek smarter and more efficient energy solutions.

Our values – trust, respect, solution orientation, and customer focus – along with our purpose of energizing the future today, are the foundation of our efforts to achieve lasting, sustainable success.

Strategic actions in our different operating countries emphasize our dedication to transitioning assets from a fossil fuel-based economy to more sustainable alternatives, bringing long-term benefits for all stakeholders.

In our view, sustainability is a catalyst for broader benefits – improving lives, strengthening businesses, and empowering communities. Our steady growth enables us to attract top talent and deliver exceptional value to our customers while consistently exceeding industry benchmarks in operational efficiency.

Pursuing our strategy keeps Gren at the forefront of the renewable energy transformation.

OUR STRATEGY

Gren's strategy positions us to shape the future of energy while delivering positive impacts over the long term.

→ Empowering businesses with Industrial Energy Services (IES)

Partner with industrial companies to deliver circular economy solutions and tailored services that drive efficiency and growth.

→ Capturing large-scale greenfield opportunities

Foster strong external partnerships. Developing Gren's energy production capacity and district heating and cooling (DHC) networks.

→ Investing in inorganic growth

Acquire and enhance existing energy assets. Actively participate in transforming energy production and solutions, making them more sustainable and affordable.

→ Expanding internationally

Share our energy expertise globally to create value for customers and partners beyond our current borders.

→ Securing operational excellence for growth

Promote an innovative culture and create a strong platform for our growth initiatives, integrating businesses that build on our secure and efficient operations.

→ Advancing Carbon Capture Utilization and Storage (CCUS)

Pioneer carbon capture technologies across our markets to accelerate the green transition.

→ Extending growth in the UK

Introduce cost-effective, low-carbon district heating to the UK as an affordable alternative to fossil-based natural gas.

This strategy reflects our commitment to advancing energy solutions through bold action, innovation, and sustainable growth.

Sustainability

ESG STRATEGY

ESG AT GREN

In a rapidly changing world, managing sustainability is essential in building trust and driving progress.

In this section, we explain how we are measuring, monitoring, and improving our impact while delivering value to our stakeholders.

DOUBLE MATERIALITY ASSESSMENT

We conducted a double materiality assessment to ensure that our company's strategy remains strong and resilient.

We are developing our ESG capabilities from 2024 to 2026 and began the process with a Double Materiality Assessment (DMA). Gren commissioned a DMA project according to the Corporate Sustainability Reporting Directive (CSRD).

The assessment applies the double materiality principle, aligning with European Sustainability Reporting Standards (ESRS) standards and the company's core sustainability themes. It evaluates sustainability topics based on two perspectives: impact materiality, or the company's impact on environmental, social, and governance factors; and financial materiality, or the influence of these factors on the company's financial performance. Additionally, the assessment provides valuable insights into industry-specific sustainability considerations.

Material topic

Topic	Impact materiality	Financial materiality
E1 Climate change	+ −	+
E2 Pollution	−	+
E4 Biodiversity and ecosystems	−	
E5 Circular economy	+ −	
S1 Own workforce	+	+
S2 Workers in the value chain	−	−
G1 Business conduct	+	−

Not material topics

- E3 Water and marine resources
- S3 Affected communities
- S4 Consumers and end-users

We are now well-positioned to advance our sustainability reporting according to CSRD requirements. We will refine our ESG strategy based on the key material themes identified.

The assessment distinguished seven topics as material for Gren. These topics are listed below, along with their corresponding ESRS standards.

Climate change, pollution, biodiversity, and circular economy are material environmental topics for the company. From a social perspective, our own workers and workers in our value chain are most relevant. Business conduct is another material topic for Gren from the perspective of governance.

KEY POLICIES AND MANAGEMENT SYSTEMS

Our key policies include our Code of Conduct, Supplier Code of Conduct, and Human Resources policies. Additionally, we continuously monitor our operations to align with the requirements of ISO 9001, ISO 14001, ISO 45001 and ISO 50001 management system standards.

ENVIRONMENTAL STANDARDS, POLICIES, AND PRINCIPLES

Gren's Code of Conduct

Our Code of Conduct describes the fundamental ethical standards that we are obligated to always uphold. Serving as our guide in making the right decisions, our Code mirrors Gren's values as well as our belief that conducting business ethically and transparently is the only acceptable approach.

Gren's Supplier Code of Conduct

Our Supplier Code of Conduct is applicable to Gren's operations in every part of the world and to any supplier that delivers goods, services, work, or other business activities to Gren. Read our Code of Conduct and Supplier Code of Conduct.

Environmental standards, policies, and principles

Comprehensive Environment, Health, and Safety (EHS) management guidelines outline Gren's EHS management principles, practices, and procedures. We are committed to continuously improving our operations and manage our impacts actively through the ISO management system standards.

Sustainable finance

Our owners and financiers receive regular updates on our ESG information. We consider financiers a significant stakeholder and provide them with consistent and detailed reporting.

Our ESG framework for inorganic growth focuses on aligning each new acquisition with our ESG Key Performance Indicators, the EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR), and applicable UK legislation.

Business resilience

Our customers can depend on the stability of their energy supply.

Gren is equipped to handle disruptions resulting from energy market fluctuations, climate change, socio-political events, and advancements in digital technology.

In addition to pursuing our other ESG targets and key performance indicators (KPIs), we aim to advance our broader strategic goals by upholding two key operational objectives:

- Preventing information security incidents.
- Avoiding incidents related to our Anti-Money Laundering (AML) and Anti-Bribery and Corruption (ABC) policies as outlined in Gren's Code of Conduct and Know Your Counterparty (KYC) Policy.

Sustainability certifications

The Sustainable Resources Verification Scheme (SURE) certification in place in Latvia underscores our ongoing commitment to due diligence and transparency in environmental and biodiversity matters related to biomass fuel sourcing. We also hold a Programme for the Endorsement of Forest Certification (PEFC) chain of custody certificate in Estonia.

Throughout 2024, we advanced our efforts to certify our facilities, biomass fuel chains of custody, and district heating and cooling systems with internationally recognized standards, including ISO certifications and efficiency labels.

In the UK, our sourcing adheres to the Woodsure certification scheme.

All Gren district heating systems in Estonia – Gren Eesti, Gren Tartu, Gren Viru and Gren Viljandi – hold the Efficient District Heating label, demonstrating compliance with the European Union Energy Efficiency Directive 2012/27/EU. This label indicates that our systems are efficient, utilizing at least 50% renewable energy, 50% waste heat, 75% cogenerated heat, or a combination of these energy sources.

In 2024, more than 90% of the energy Gren generated through its operations were produced from renewables or waste fuels.

Management systems[1]

✓ Certified ✓ Planned – Not implemented

		Quality	Environment	Safety	Energy
Country	Entity	ISO 9 001	ISO 14 001	ISO 45 001	ISO 50 001
Estonia	Gren Eesti AS	✓	✓	✓	–
	Gren Tartu AS	✓	✓	✓	–
	Gren Viru AS	✓	✓	✓	–
	Gren Viljandi AS	✓	✓	✓	–
Latvia	Gren Latvija SIA	✓	✓	✓	✓
	Gren Jelgava SIA	✓	✓	✓	✓
	Gren Rīga SIA	✓	✓	✓	✓
	Gren Gulbene SIA	✓	✓	✓	✓
	RigaVest CHP SIA	–	–	–	–
Lithuania	UAB Gren Lietuva	✓	✓	✓	–
	UAB Gren Joniškis	✓	✓	✓	–
	UAB Gren Švenčionys	✓	✓	✓	–
	UAB Gren Klaipėda	✓	✓	✓	–
	UAB Gren Akmenė	–	–	–	–
	UAB Gren Trakai	–	–	–	–
	UAB Gren tech	–	–	–	–
	UAB Karlų katilinė	–	–	–	–
UK	All units	✓	✓	✓	✓

1 Gren is implementing management systems based on business planning of operations. Gren is developing management systems for new investment and adding new management systems over time.

Stakeholder engagement

Gren's operations impact a wide range of stakeholders every day, and engaging with them pervades every aspect of our business.

In dealing with stakeholders, we communicate openly, in a timely manner and in ways that reflect the values of our company. This approach is instrumental in maintaining our reputation.

We are committed to consistently providing stakeholders with accurate and reliable information. Our aim is to foster close relationships with our employees, customers, investors, communities, and business partners through regular communication marked by integrity and transparency.

We recognize the importance of engaging with stakeholders to gain insights into their expectations, interests, and concerns.

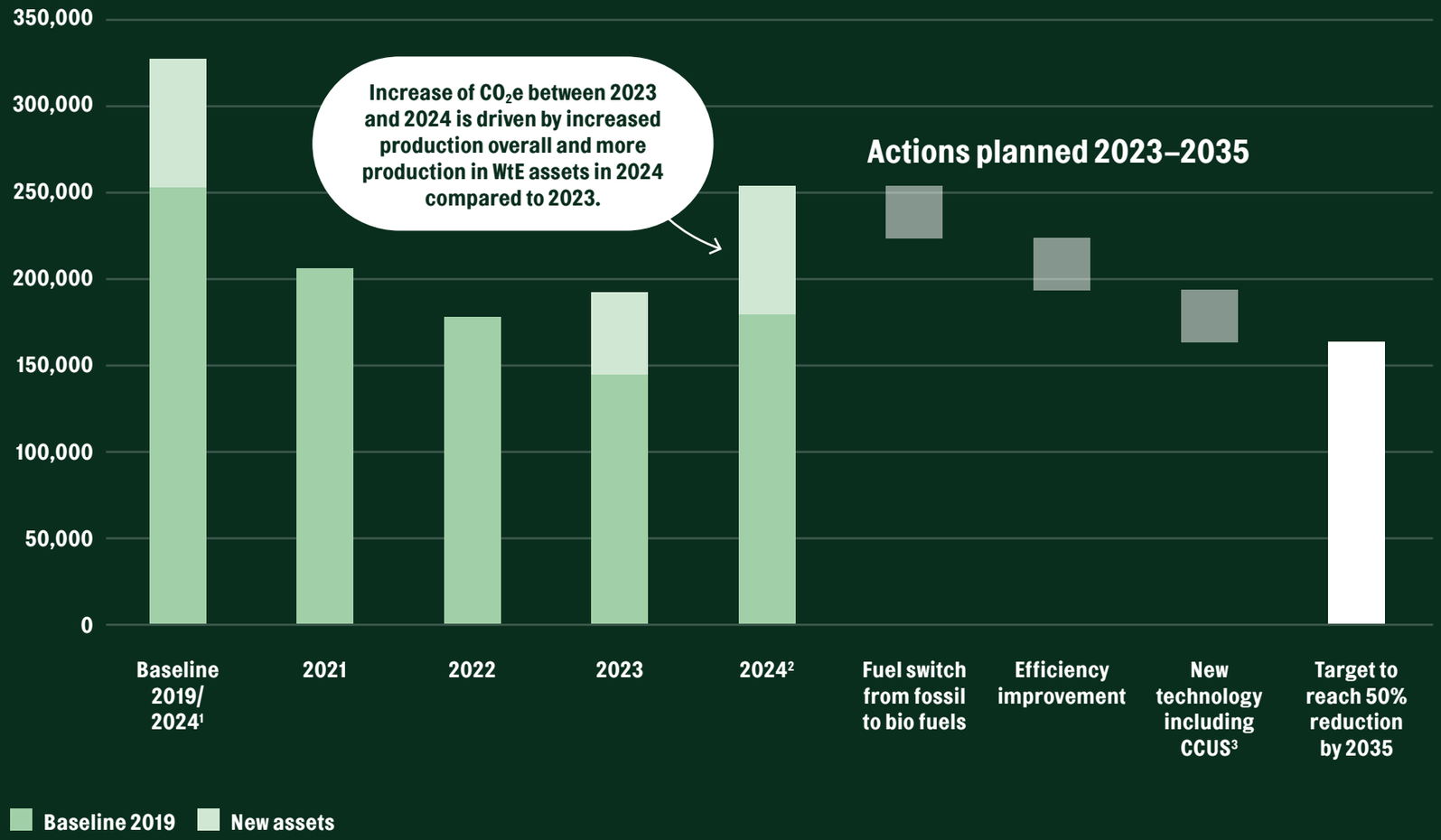
We strive to understand our customers' opinions and proactively participate in local communities. In addition, we consistently update our shareholders and debtors on ESG-related matters.

Cities and towns in Estonia, Latvia, Lithuania, and the United Kingdom are crucial partners for us in building sustainable environments for both people and businesses. Within the cities and municipalities where we operate, we work with businesses and industries, as well as contribute to local communities through educational initiatives related to energy efficiency.

In addition, we extend our support to schools, local sports clubs, and arts associations.

Actions and resources related to climate change mitigation and adaptation

tCO_2e



1 Baseline top-up is based on emissions from assets acquired in 2023 and 2024.
2 Gren has reduced 29% CO_2e compared to original 2019 baseline and 22.4% compared to updated comparable baseline.
3 Carbon capture utilization and storage

GREN'S ESG STRATEGY THEMES AND DRIVERS

GREN'S PURPOSE: ENERGIZING THE FUTURE TODAY
GREN'S DIRECTION: SUSTAINABLE SUCCESS

GREN'S VALUES: TRUST, RESPECT, CUSTOMER FOCUS, SOLUTION ORIENTATION

GREN'S STRATEGY: DRIVEN BY ITS PURPOSE AND VALUES. COMMITTED TO GROWTH, PROVIDING THE BEST HEATING AND COOLING SOLUTIONS, INDUSTRIAL ENERGY SOLUTIONS, AND MOREOVER SEEKING GROWTH OPPORTUNITIES BEYOND THE EXISTING BUSINESS

Environmental

CLIMATE CHANGE & BIODIVERSITY
We provide energy solutions that consider our shared future for generations to come. We respect the planetary boundaries and take responsibility for our contribution to mitigating the current climate crisis. Our actions are immediate and ambitious, supporting global GHG reduction and biodiversity protection targets for limiting global warming.

CLEAN PRODUCTION
Responsibility starts by avoiding undesirable impacts on the environment and society from the outset. We achieve it by operating our assets resource-efficiently and by employing cutting-edge clean technological innovations to minimize inevitable impacts to land, air, water or people. Our planet and people deserve it.

Social

ENERGIZING SOCIETY
Gren's ESG ambitions contribute to society's advancement. We not only provide clean, secure, affordable and innovative energy solutions, but empower communities to make sustainable choices. Gren's respect for people extends to all stakeholders: our customers, suppliers, partners or authorities. We foster engagement for people, their rights, wellbeing and safety.

ENGAGING EMPLOYEES
Our employees make our strategy and sustainability ambitions come alive. Constantly aiming to be better and pushing for innovation. Based on mutual trust and respect, we strive to create a strong corporate culture and working environment where safety is never compromised, equality is a fundamental principle and people feel fully engaged.

Governance

SUSTAINABLE INVESTMENT
Gren is on a growth trajectory. We invest boldly in our current operations, while actively seeking opportunities beyond our existing business. How and where we invest therefore matters greatly. By including ESG in our decision-making, and monitoring of sustainability related financial and extra -financial performance we can maximise positive sustainability impacts for our stakeholders and avoid unnecessary risks.

BUSINESS RESILIENCE
We are ready and resilient to disruptions, whether energy market related, driven by climate change, socio-political or arising from the digital world. Our clients can trust us in ensuring energy supply security. We work transparently and honestly with no room for illegal or unethical business practices. Reliable and transparent.

EU SUSTAINABILITY AMBITIONS

SECTOR INSIGHTS

STAKEHOLDER OPINION

GREN'S ENVIRONMENTAL IMPACT

GREN'S SOCIAL IMPACT

FINANCIAL RISK AND OPPORTUNITIES

ESG STRATEGY

BUSINESS MODEL

Our business model reflects a forward-thinking approach to energy, leveraging opportunities to drive positive change in the transition to a more sustainable future.

In the Baltics, district heating price regulation encourages the adoption of innovative, low-risk solutions that prioritize alternative fuels and energy efficiency measures. These frameworks enable us to deliver impactful and sustainable energy solutions that support local communities and foster progress.

Our focus on decarbonization guides us in creating value while contributing to a cleaner future. Through our design, build, and operate model, we collaborate with industrial clients, real estate customers, and other district heating companies to deliver tailored solutions.

Innovations such as Carbon Capture and Utilization (CCU) at our sites are unlocking transformative new revenue streams, including emission reduction certificates for voluntary compensators. By building CCU capabilities, we are not only enhancing our own operations but also creating opportunities to provide these cutting-edge solutions as a service to others.

We are incorporating insights from our Double Materiality Assessment process on the prioritization of our ESG-related risks and opportunities into our annual risk management process. This will ensure a consistent and forward-looking approach to addressing our sustainability challenges and opportunities.

Also, we are deepening our collaboration with renewable fuel suppliers to align with the RED III directive and are committed to expanding our human rights due diligence processes in 2025. These actions reinforce our dedication to ethical practices and highlight our commitment to providing positively different energy.

IMPACTS, RISKS, AND OPPORTUNITIES

Risk Management

Gren has established a Risk Management Policy and Framework to support both Group management and country unit operations in effectively managing risks and ensuring compliance with relevant regulations. This includes identifying, assessing, and reporting material risks facing the business.

The Risk Management Policy is officially approved by the Board of Directors, and the objectives of Gren's risk management are to:

- Support Gren Group's management in developing and refining Gren's strategy from a risk perspective
- Assist in executing business strategy through comprehensive risk assessments
- Help the business achieve agreed-upon financial and operational targets while maintaining acceptable risk levels
- Ensure a clear understanding of the Group's significant risks and uncertainties
- Safeguard the well-being of all employees and third parties involved in Gren's operations
- Address environmental and sustainability matters
- Support Gren Group's management in considering and evaluating the needs of various stakeholders.

In essence, our risk management framework empowers employees to embody our values and purpose while aligning with the strategic direction established by the Board. Sustainability risk extends beyond climate-related challenges to include Environmental, Health, and Safety (EHS) concerns, social impacts, and human rights considerations.

Our risk management approach also considers legal risks, reputational risks, and those associated with fraud and anti-competitive behaviour.

OUR SUSTAINABILITY TARGETS AND KPIS

To implement and monitor our strategy, we work towards our 2024–2026 ESG roadmap targets, measuring the results year on year.

Gren's targets encompass climate action, reducing environmental pollution, promoting health and safety, engaging local communities through initiatives and campaigns, and meeting EU-level compliance goals in areas such as anti-corruption, information security, and production availability.

TARGETS IN OUR 2024–2026 ESG ROADMAP

Environment

- **GHG reduction –50% by 2035 from the base year**
- **Reach 100% sustainably sourced biomass fuels by year-end 2025**
- **Develop and test new customer solutions, specific to Industrial Energy Services**
- **Pollutant levels of plants stand lower than the levels associated with the best available techniques (BATAEL)**
- **Maintain District Heating and Cooling (DHC) system and production efficiency in line with EU Directive 2012/27/EU**
- **Develop production efficiency, minimize network heat losses and network water losses**

Social

- **Conduct Corporate Social Responsibility (CSR) related awareness campaign yearly**
- **Deploy cooperation with schools and Non-Governmental Organizations (NGOs)**
- **Ramp up risk-based monitoring approach to supplier base**
- **Achieve a representation of women exceeding 40% in both the Board of Directors and the Management Team**
- **Attain a less than 1% gender pay gap for comparable functional level by 2025, using compensation and benefit structures for comparison**
- **Achieve balanced distribution of employees by age group and gender by 2030**
- **Zero incidents of discrimination, harassment, human and labour rights violations**
- **Zero cases of fatalities, permanent disability, injuries, or occupational diseases for both Gren employees and contractors**
- **Gain an employee engagement level exceeding 80% by 2025**

Governance

- **Disclose sustainability-related financial information according to EU taxonomy regulation.**
  - **Taxonomy-aligned Revenues (%)**
  - **Taxonomy-aligned OPEX (%)**
  - **Taxonomy-aligned CAPEX (%)**
- **Comply with the European Sustainability Reporting Standards (ESRS)**
- **Achieve zero information security incidents impacting Gren services or resulting in a data breach**
- **Achieve zero incidents related to AML/ABC policies**

ENVIRONMENT

ENVIRONMENTAL SUSTAINABILITY

We implemented significant actions and investments to strengthen our environmental sustainability in 2024.

At Gren, we are committed to achieving our environmental goals and use key performance indicators to track our progress. We prioritize environmental protection, use natural resources responsibly, and minimize the impact of our operations. Through our services, we help our customers reduce their environmental footprint and contribute to a more sustainable future.

Our services enable customers to access energy that is both cost-effective and sourced primarily from renewable and circular solutions. Making sustainability affordable is essential for large-scale adoption, and scaling these solutions helps reduce emissions, decrease resource waste, and create long-term economic opportunities in local communities.

In addition, by offering low-CO_2 energy solutions, Gren helps industrial operations reduce their CO_2 footprint, enabling them to produce lower-emission products and contribute to more sustainable value chains.

In 2024, we completed several investments aimed at improving the efficiency of our plants, which in turn increased renewable energy production across the countries where we operate. Joining a project in Glasgow, Scotland, to construct a sizable waste-to-energy plant in collaboration with Fortum, will contribute further to our decarbonization efforts in the UK.

We are also proud to have maintained a high level of operational quality throughout the year.

→ Key figures in 2024:

- Share of non-fossil fuels: 95%
- Total Scope 1 and Scope 2 location-based CO_2e: 253,800
- Heat produced: 2,247 GWh
- Electricity produced: 695 GWh
- Cooling produced: 13 GWh

CSRD REPORTING AND EU TAXONOMY

Among Gren's activities, heating and electricity generation from biomass fuels represent the most significant contributors to EU Taxonomy-eligible revenue, operating expenses, and capital expenditures.

The EU Taxonomy is a system that classifies and defines sustainable economic activities in the European economic region. It was implemented as part of the European Green Deal initiatives to achieve a carbon-neutral economy by 2050.

The Corporate Sustainability Reporting Directive (CSRD) has applied to Gren from January 1, 2025, onwards. Gren is also subject to EU Taxonomy regulation as of 2025.

In spring 2025 EU Parliament has proposed changes (Omnibus Directive), which aims to change the timing and scope of sustainability reporting legislation. Gren will closely monitor the progress and keep sustainability reporting high on strategic agenda.

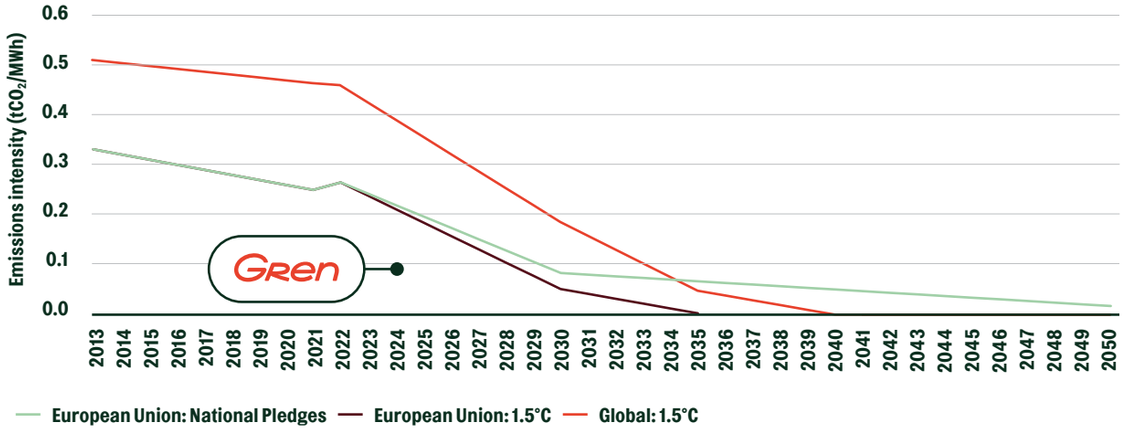
CLIMATE CHANGE AND DECARBONIZATION – SCOPE 1 & 2 EMISSIONS

In Gren's operations, Scope 1 emissions originate from the consumption of stationary and mobile fuels, as well as fugitive emissions, such as those resulting from refrigerant use. Scope 1 emissions totalled 244,850 tCO_2e in 2024.

Scope 2 emissions arise from purchased electricity and heat. Scope 2 location-based emissions totalled 8,915 tCO_2e in 2024.

Gren's baseline CO_2 emissions now include data from the UK, Lithuania, Latvia, and Estonia for 2023 and 2024. We conducted a Scope 3 relevance assessment in 2024 to identify the most significant categories for inclusion in our Scope 3 CO_2 inventory. Based on the findings, we have integrated the identified relevant categories into our ESG reporting system for data collection and management.

Global emissions intensity benchmarks by warming scenario for the electricity utilities sector



Source: Grantham Research Institute on Climate Change and the Environment, 2024

Total CO_2 distribution 2024

The assessment determined the following categories as most significant: purchased goods and services, capital goods, fuel- and energy-related activities, the use of sold energy, or heat that we purchase and resell, and investments.

At the end of 2024, Gren achieved a 22,4% reduction in greenhouse gas (GHG) emissions compared to the relevant baseline.

Our 2024 GHG inventory includes Scope 1 and Scope 2 emissions, as well as biogenic CO_2 emissions, which are categorized as "outside of scopes" according to established reporting frameworks.

OUR BIOGENIC EMISSIONS TOTALLED 1,240 KT CO_2E IN 2024

As an energy producer, fuel consumption is integral to our operations. Consequently, most of our fossil CO_2 emissions are associated with Scope 1 stationary sources. Our assets utilizing biomass fuels primarily generate biogenic CO_2.

Investments

In 2024, several investments contributed to reductions in our GHG emissions. We successfully completed the following projects throughout the year, enhancing our environmental performance:

- Flue gas condenser installation at Pärnu CHP, Estonia
- New IPPC permit for Klaipeda, Lithuania, enabling improved waste management
- Boiler efficiency improvement project at Ganibu HOB, Latvia
- Reconstruction of Gren Riga Flue Gas Condenser in Riga, Latvia, including heat pump installation
- Lighting upgrade at Pärnu CHP, Estonia
- Investment in Ropka pumping station in Tartu, Estonia, to enhance network efficiency and reduce gas consumption

Our operational excellence program also achieved significant positive environmental and financial impacts during the year.

Fuel usage

To produce heat, electricity, and cooling, Gren mainly uses biomass in the form of woodchips, recovered wood, and waste fuels, also known as Refuse-Derived Fuel (RDF).

In 2024, the proportion of biomass fuels was 69% and the proportion of waste fuels was approximately 26%. Typically, more than half of the waste fuels are of biogenic origin.

During the year, only 5% of the fuel Gren used was of fossil fuel origin. These included natural gas and oils.

Total energy delivery

In 2024, our total energy delivery amounted to 2,954 GWh for heating, cooling, and power compared to 2,660 GWh in 2023.

Future plans

Following the Scope 3 relevance assessment we began in 2024, we will continue the process in 2025 to calculate our Scope 3 Inventory for the financial year 2025

We have consistently employed thematic strategies to reduce our greenhouse gas emissions, including fuel shifting, efficiency improvements, and the adoption of new technologies. In 2024, we explored the possibility of Carbon Capture and Storage (CCS) at our Klaipeda Waste-to-Energy facility in Lithuania.

PREVENTING AND CONTROLLING POLLUTION

Minimizing pollutants to air, water, and soil

In 2024, our total pollutants emitted into the air amounted to 3,591 tonnes. We have currently also included the emissions of all new assets in UK, Lithuania, Latvia and Estonia in our reporting.

During 2024, we invested in a new flue gas filtering technology in Estonia. The solution is designed to remove pollutants and harmful substances from industrial emissions before they are released into the atmosphere. The new electric filter has been added to solid fuel boilers at our Suur-Jõe HOB in Pärnu, and our Viljandi HOB. These solutions will result in reductions in particulate matter emissions.

Gren goes beyond legal requirements to minimize pollutants released into the air, water, and soil. Protecting the environment isn't just a responsibility – it's a commitment we embrace. By operating efficiently and leveraging technology, we actively reduce our impact on land, air, water, and on the communities we serve.

Our commitment extends throughout our entire value chain, both upstream and downstream. We strive to mitigate air pollution, prevent water contamination, and reduce soil pollution at every stage of our operations, aiming to produce energy and operate our systems with minimal adverse environmental effects.

We strive to reduce our facilities' impact on waterways by minimizing harmful impurities in our wastewater. Instead of discharging it directly, we send it to local treatment facilities.

PROTECTING AND ENHANCING BIODIVERSITY AND ECOSYSTEMS

Ecosystem and biodiversity protection through sustainable sourcing

As 2024 came to a close, we were well on our way to achieving our key target of 100% sustainably sourced biomass fuels by the end of 2025. To successfully reach this goal, we are closely monitoring the percentage of certified biomass fuel we procure.

The percentage of certified biomass fuel we used in 2024 in was 95%.

We integrate biodiversity protection into our sustainable sourcing strategy for biomass fuels by requiring those fuels to be certified with the appropriate sustainability and chain of custody certifications. Certifications are important for ensuring our fuels are from sustainable sources and do not contribute to biodiversity loss.

We are certified through the Sustainable Resources Verification Scheme (SURE), Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), and in the UK, WoodSure.

These certifications aim to safeguard sustainable practices in resource management, particularly in forestry and biomass production, through third-party verification and adherence to specific standards.

From a research perspective, Gren has undertaken studies in the regions where we operate to assess biodiversity in the land areas surrounding our assets. Our objective is to continually reduce CO_2 emissions and local pollution. Ensuring the certification of biomass remains central to our efforts to influence our suppliers on the importance of biomass fuel sustainability.

CIRCULAR ECONOMY ACTIONS

The primary production waste from Gren's operations consists of fly ash and bottom ash, and research and development activities are being conducted to identify the optimal options for ash reuse. These studies consider the principle of economic cascading, aiming to use the resource in the most valuable way possible at each step.

As of 2024, we provided ashes to be reused in several ways – namely, as forest fertilizers, agricultural fertilizer mixtures, construction materials, and acid waste neutralization.

Circular economy actions play a crucial role in minimizing waste and maximizing resource efficiency, particularly in managing hazardous waste streams. At our Riga CHP plant, a cleaning service for reusable absorbents ensures that materials are effectively cleaned and reused. Refillable chemical tanks are used, promoting sustainable chemical handling.

To further support resource recovery, used oils are sorted at waste management company sites, allowing them to be processed for further use. Moreover, quality testing of post-expiration chemicals enables re-expiration, extending their usability and preventing unnecessary disposal.

In 2024, our Industrial Energy Services (IES) projects incorporated circular economy principles through partnerships with our customers. For example, we provided Metsä Wood's plywood mill in Pärnu, Estonia, with a convenient means to manage plywood production side streams while simultaneously contributing to the circular economy. Our CHP plant utilizes the wood leftovers for heat, steam, and electricity production, thus fulfilling Pärnu Metsä Wood mill's energy needs.

Our IES business also partnered with UAB Juodeliai, Europe's leading wood pallet blanks manufacturer, to build, operate, and maintain their business-critical industrial energy infrastructure. The solution will utilize Juodeliai's wood processing residues, turning them into a sustainable source of industrial heat at the company's Marijampole site in Lithuania. The project will start with a capacity of 5 MW with plans to scale up to 10 MW as demand increases.

Fuel mix 2024 (GWh)

Country	Biomass (GWh)	Waste fuels (GWh)	Fossil fuels (GWh)	Total (GWh)
Estonia	1265		115	1380
Latvia	820		20	840
Lithuania	237	830	40	1107
UK	564	261	28	853
Total	2886	1091	203	4180
% of total	69%	26%	5%	100%

Emissions to air, waste, water consumption

	2023	2024
Emission to air (tonnes)	1,230	3,591*
Non-Hazardous ashes (tonnes)	99,800	104,817
RDF fly ashes (tonnes)	12,400	14,272
Other sorted wastes (tonnes)	4,100	5,113
Water consumption (1000m^3)	589	607

*Includes all new assets acquired in 2023 and 2024

CASE: TOWARDS SUSTAINABLE SUCCESS – GREN'S STRATEGIC GROWTH INITIATIVES IN 2024

In 2024, Gren accelerated its expansion with major investments in low-carbon infrastructure and industrial energy solutions. These initiatives are driving sustainable growth, enhancing energy security, and supporting the transition to cleaner energy in the UK and in the Baltics.

Aiming to lead in scalable, low-carbon energy solutions

Gren's strategic growth is supported by a planned GBP 1 billion investment in critical low-carbon infrastructure across the UK. This initiative will enable the energy provider to expand its reach, accelerate urban decarbonization, and scale up innovations such as waste heat recovery and biomass energy. Each project seeks to contribute to local economic development, create green jobs, and support communities in the transition to renewable energy.

In 2024, Gren achieved several key milestones, significantly expanding its operations and advancing its decarbonization strategy. In the UK, the company acquired a 50% share in the South Clyde Energy Centre, a major Waste to Energy (WTE) facility under construction in Glasgow. Once operational, this facility will provide clean energy to a city with over 600,000 residents.

Similarly, the Energy on Clyde project will provide district heating to over 200,000 homes, replacing natural gas-based heating with sustainable energy solutions that reduce emissions and enhance energy security.

Gren's growth trajectory in the UK is defined by its ambition to lead in delivering scalable, low-carbon energy solutions, building on the success of flagship projects like Energy on Clyde. The company's GBP 300 million investment in Glasgow represents a model for expansion into cities and regions across the UK, which aligns with both the UK's and Scottish Governments' policies on decarbonization, energy security, and economic development.

Boosting energy efficiency by valorizing waste

Beyond the UK, Gren is moving forward with transformative projects in other regions. In Lithuania, the company has partnered with Juodeliai, one of Europe's leading wooden pallet blanks producers, to develop a tailored energy solution that transforms wood processing residues into renewable energy.

By transforming wood processing by-products into valuable energy, Gren is addressing a key waste management challenge while providing Juodeliai with a stable, efficient energy source to support its expanding production. This collaboration demonstrates Gren's ability to support industrial partners in achieving their sustainability goals while optimizing energy efficiency.

As part of the initiative, Gren's Industrial Energy Services team will implement a 10 MW energy plant, as well as manage energy production operations throughout the facility's lifecycle, ensuring a reliable and efficient energy supply.

Key features of Gren's Industrial Energy Services for Juodeliai:

- Full lifecycle service: Gren finances, designs and constructs the business-critical industrial energy infrastructure, operates, and maintains it through a long-term agreement.
- Sustainable energy: Gren's solution will utilize Juodeliai's wood processing residues, turning them into a sustainable source of industrial heat.
- Initial capacity and future expansion: The project will start with a capacity of 5MW, scaling up to 10MW as demand increases.
- Comprehensive management: Gren will manage all aspects of energy production, ensuring operational excellence and sustainability.

The collaboration between Gren and Juodeliai will begin immediately, with the new energy and production facilities expected to be operational by autumn 2025.

SOCIAL

SOCIAL SUSTAINABILITY

Safety, employee engagement, and the integration of new entities were the top priorities for Gren with regard to social sustainability in 2024.

As we integrate newly acquired entities, our priority is to align them with our People processes and organizational culture. We are committed to fostering a deep sense of engagement in employees and strengthening their connection to our core values.

Operating successfully in the energy business requires outstanding Environmental, Health and Safety (EHS) management and performance. For this reason, excelling in sustainability, including EHS, is an integral part of our strategy. The safety of our operations is our utmost priority.

Gren's EHS Management Guidelines define minimum requirements and additional recommendations to ensure that sufficient focus is given to the environment, health, and safety in all our operations. These requirements are used alongside local laws and instructions.

Full regulatory compliance is an absolute requirement in all Gren's operations. We employ established procedures for the following:

- Keeping up-to-date documentation of valid EHS legislation and other requirements, such as permit conditions relevant to our business operations
- Safeguarding effective implementation of the requirements, resulting in full compliance
- As a responsibility of our managers, ensuring that employees are aware of the policies and instructions that apply to their work, and that all legal requirements, license conditions, and other external or internal requirements are clear, understood and complied with.

Gren's EHS management is based on continuous improvement and follows the principles given in ISO standards. All operational units should apply ISO 14001 and ISO 45001 standard requirements, and it is recommended that all Gren's operational activities be both ISO 14001 and ISO 45001 certified.

Safety performance

	2023	2024
LTIFR (Gren Employees)	2.48	3.44
TRIFR (Gren Employees)	3.71	3.44

SAFETY PERFORMANCE

In 2024, our Lost Time Injury Frequency Rate (LTIFR) was 3.44, and our Total Recordable Injury Frequency Rate (TRIFR) was also 3.44, as we recorded three LTI cases among our employees during the year. One of the lost time incidents happened in a business Gren had acquired during H2 2024. Additionally, there were two LTIs among our external Operations and Maintenance (O&M) personnel in the UK.

During the year, 526 safety walks were conducted, representing an increase of 8.6% compared to the previous year. The emphasis areas for the safety walks varied significantly across different countries. Additionally, considerable attention was given to the integration of the new units throughout the year.

As part of our ongoing effort to maintain a safe working environment, in 2024, we organized training and awareness programs on safety across our operations.

We continuously emphasize the importance of Gren's safety culture, particularly when incorporating new assets into our portfolio. In 2024, the training on Working at Heights received particularly positive feedback.

In April, we held our annual Safety Week with the theme "Stop and Think" to raise awareness among Gren employees about safety and wellbeing. The week focused on improving working methods, reinforcing the importance of work permits and the use of personal protective equipment. We also promoted an open and transparent culture by encouraging low barriers to reporting.

To support engagement, we developed a wide range of materials for the week, including brochures, coasters, local events, and presentations. Feedback on the event was positive overall.

Besides Safety Week, safety walks are important tools for our managers, enabling them to hold dialogues with people engaged in fieldwork, control the working environment, and identify potential risks. Conducting safety walks is the duty of every manager and supervisor at our facilities.

Environment, Health, and Safety (EHS) inspections also safeguard high performance in the company in EHS matters. Both EHS inspections and safety walks are conducted routinely at all Gren sites and offices.

Each year, we give recognition to each country's best safety walker.

GREN'S SAFETY INDEX

In 2024, Gren achieved a Safety Index of 98.24%, down only slightly from 98.5% in 2023.

The Gren Safety Index is our leading safety performance indicator. It is measured using a combination and weighting of conducted safety walks, EHS improvement proposals, the quality of work permits, and the results of EHS inspections. To further promote our safety culture, the Gren Safety Index is linked to our incentive plans.

The cloud-based IT system, Gurufield, was effective in monitoring and managing health, safety, environment, and quality management topics in 2024. The system is widely in use and has standardized workflow and input templates within the company.

We gather information on Lost Time Injuries, medical treatment cases, first-aid cases and near misses for Gren employees and our Operations & Maintenance (O&M) contractors in the UK. Moreover, we monitor safety observations, improvement proposals, work permits, safety walks, and environmental incidents.

Management follows the development of safety KPIs on a monthly basis. Safety calls or meetings are held each quarter to update management and address any concerns or topics for development.

All Gren employees and contractors can access the system to report safety hazards or environmental incidents. Each month, management collects reports from the system, using them to calculate the Gren Safety Index.

PARTNERING TO ENSURE SAFETY

Operations and Maintenance (O&M) partners manage all our facilities throughout the United Kingdom. To improve safety processes and procedures at these plants, we have consolidated operations under larger O&M companies. We have already completed this process for multiple sites, combining them under one company that demonstrates strong performance and aligns with Gren's safety objectives.

Furthermore, construction on our joint venture project with Fortum in Glasgow, Scotland, is progressing. The Energy on Clyde project is working with the city of Glasgow to build secure, affordable, and cleaner energy in the industrial centre.

The project aims to support local businesses and the community by providing low-cost, reliable, decarbonised heat in a region of fuel poverty, as well as by engaging local businesses to expand the Energy on Clyde network as heat users and as heat sources.

Gren is monitoring the safety of the building process and contractors of Energy on Clyde together with our joint venture partner. While in construction, the project is expected to support approximately 500 construction jobs, in addition to introducing supply chain opportunities for local businesses.

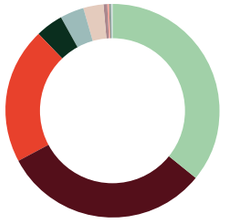
Board, management, and personnel diversity

	Women	Men	Total	Share of women
Board of Directors	1	5	6	17%
Management Team	3	8	11	27%
Gren employees	154	420	574	27%

Employee satisfaction

	2023	2024
NPS	44	45
Engagement index	81	81
Response rate	89%	84%

Gren employees by country (2024)



Estonia, 206
Lithuania, 180
Latvia, 119
Poland, 24
UK, 20
Finland, 18
Croatia, 3
Austria, 2
Sweden, 1
Czech Republic, 1

EMPLOYEE ENGAGEMENT AND WELL-BEING

Suppliers

Gren's Supplier Code of Conduct is included in all major contracts.

We are developing the questionnaires and due diligence process for our Supplier Code of Conduct in 2025.

We source fuel products locally, with the largest share comprising biomass. Other significant portions include waste and natural gas. Investment items such as boilers, heat pumps, pipes, installation services, and similar goods form the second-largest category. Operations and maintenance parts and services constitute the third-largest category.

Engaging people in our purpose

We prioritize our employees' well-being, recognizing their essential role in achieving our strategic and sustainability goals.

We aim to secure long-term employment for our people by engaging them in Gren's purpose. Our objective is to cultivate a robust corporate culture rooted in our core values of trust, respect, solution orientation, and customer focus, while also maintaining a firm commitment to equality.

Our approach is especially evident in the Baltic countries where we have maintained lengthy relationships with numerous personnel.

The Employee Engagement Survey in 2024 was conducted in the fourth quarter and received an 84% response rate, compared to 89% in 2023. The Engagement Index held steady at 81, unchanged from the previous year.

Gren's employee Net Promoter Score (eNPS) for the period was 45, compared to 44 in 2023. According to NPS methodology, a grade above 0 is considered a good score, and a score of 50 or higher is seen as excellent.

Local communities

Gren provides indispensable services like heating and electricity. We have a positive impact on society, especially in towns where energy is crucial.

We collaborate with communities to supply secure, low-carbon heating, cooling, and power to households, businesses, and industry on a large scale. This effort closely involves our employees, who maintain ongoing communication with cities and municipalities, reinforcing our company's connection with local communities.

Social contributions in 2024

Gren continued to support emergency relief efforts in Ukraine through UNICEF. During the year, we also donated funds to charitable institutions and causes in Estonia, Latvia, Lithuania, and the UK. Beneficiaries included organizations aimed at improving the lives of disadvantaged children, the youth, families and people with disabilities, as well as animal shelters.

CASE: EMPLOYEE ENGAGEMENT DRIVES GREN'S VISION FOR A SUSTAINABLE FUTURE

As Gren Group grows and evolves, maintaining a high level of engagement among employees is critical to realizing its purpose of energizing the future today.

In 2024, Gren's annual employee engagement surveys confirmed that employees at Gren remain highly engaged and continue to enjoy working for the company. Factors such as good leadership, strong team spirit, and clear strategic direction have contributed to a consistently strong connection between the company and its employees.

Gren's high employee engagement level is also reflected in its employee Net Promoter Score (eNPS), which has remained consistent over the last three surveys, with values of 44, 44, and 45. Bain & Company, the system's creators, consider scores in this range to be between favourable and excellent.

The company's deep commitment to the green transition motivates employees who share its purpose and recognize the importance of their work for the future of the planet.

"Employees described Gren as more than an employer, says Minna Blomqvist, Gren's Chief People Officer.

"Particularly in the Baltic regions, employees feel that Gren is more like a family."

"Long-term careers and strong team spirit across regions support this feeling, even in teams facing occasional workload pressures."

The workload in some teams was one of the major challenges identified in the survey, as employees balance daily work with activities related to growth and new demands such as ESG reporting. Teams implement their own action plans, for example, by reorganizing workloads and prioritizing well-being to reduce stress, and the HR team is available to support them as needed.

"Survey results are analysed together with management, but the real change is happening when teams analyse their own survey results and are thinking about the corrective actions. This increases the ownership towards making a positive change in the organisation."

Fostering a sense of belonging

Gren also places a strong emphasis on diversity, equity, and inclusion. During the year, the company focused on integrating personnel from newly acquired entities from a cultural and values perspective, ensuring that everyone feels part of the Gren family and has equal opportunities to grow with the company. These efforts helped to strengthen cohesion across locations, allowing employees to align even more deeply with the company's purpose.

One of the most effective initiatives in driving engagement in 2024 was the "We are Gren" event, with most employees who participated providing positive feedback. Local events – such as family-inclusive celebrations and theme weeks focused on health and safety and well-being – further highlighted the company's efforts towards creating a supportive work environment.

Gren remains committed to maintaining a highly engaged workforce as the company continues developing rapidly. By actively listening to employee feedback and addressing challenges as new companies are integrated, teams can collaboratively carry out effective solutions. In this way, the company can continue to foster a positive, welcoming, and motivating workplace.

GOVERNANCE

GOVERNANCE AT GREN

We strongly believe that an ethical business culture is the cornerstone of every sustainable company.

We aim to serve as a trusted and reliable partner for our customers, communities, and business partners as we jointly strive towards a sustainable future.

CORPORATE CULTURE

Our Code of Conduct provides the ethical standards that all Gren employees are expected to adhere to. In addition to describing the company's values, it emphasizes the importance of conducting business ethically and transparently. The principles outlined in the Code assist in making informed decisions, even in complex or challenging situations.

Gren's Management Team have approved the contents of our Code of Conduct, which is available to all employees. Additionally, each employee must complete training on the Code in Gren's Learning Management System. The completion rate for the Code of Conduct training by year end in 2024 was 57%. We introduced the training during the same year, and we expect a considerably higher completion rate in 2025.

Employees can report potential breaches of the Code of Conduct through our whistleblowing channel, Wemoral. The channel allows employees and stakeholders to securely and confidentially report concerns related to safety observations, improvement suggestions, technical improvements, and a variety of other topics.

We enforce a strict non-retaliation policy for all reports made in good faith. Our whistleblowing process is reviewed on a regular basis to maintain effectiveness and compliance with regulations.

Our suppliers and contractors play an important role in our efforts to promote sustainability in our operations, and Gren's Supplier Code of Conduct defines the basic sustainability requirements for them.

The Supplier Code is based on the ethical and sustainability standards outlined in the International Bill of Human Rights and the United Nations Global Compact. It also includes criteria for responsible sourcing, such as environmental and labour standards, including Convention 138 of the

International Labour Organization (ILO), which establishes the minimum age for employment and seeks to abolish child labour.

GOVERNING BODIES

Gren's Board of Directors, supported by the ESG Committee, serves as the highest governing body for ESG matters at the company. The Board has the authority to establish and amend Group-wide policies on anti-bribery, whistleblowing, health and safety, risk management, environmental sustainability, and corporate social responsibility.

The ESG Committee, a subcommittee of the Board of Directors, operates under a formal charter. Its composition is defined by the Board and typically includes three to five members, including the Head of ESG.

The Head of ESG works closely with functions such as Mergers and Acquisitions (M&A), Growth, Environment, Health, Safety, and Quality (EHSQ), Human Resources, and Legal, providing strategic leadership and guidance on ESG matters. The Head of ESG reports to the Chief Strategy Officer, who is also a member of the Management Team.

The ESG Committee is entrusted with the following responsibilities:

- Reviewing the annual ESG report, engaging relevant management team members, and presenting the final report to the Board for approval.
- Overseeing the ESG reporting process, ensuring alignment with legal, regulatory, and internal governance standards.
- Conducting an annual review of ESG performance and advising the Board on strategies for continuous improvement.

In collaboration with the Management Team, Gren's Chief Executive Officer (CEO) oversees daily operations and ensures the implementation of ESG-related policies and practices across the company.

ANTI-CORRUPTION AND ANTI-BRIBERY

Our Policy for Prevention of Corruption, Money Laundering, Terrorism and Proliferation Financing, and Implementation of Sanctions applies to all countries where Gren operates, as well as to every Gren employee.

To strengthen our ethical culture, we provide comprehensive training programs on anti-corruption and anti-bribery, including Compliance Training and Code of Conduct Training. These aim to ensure that our employees understand and uphold our standards.

We also hold our business partners to the same high ethical standards. To ensure that third parties – such as suppliers and agents – adhere to our anti-bribery and anti-corruption commitments, we require them to sign our Supplier Code of Conduct.

ADVOCACY

As a rule, Gren addresses stakeholder concerns by communicating transparently, collaborating actively, and adhering to legislative frameworks.

In Estonia, our advocacy efforts focus on promoting renewable energy-based local fuels, decentralized energy systems – particularly district heating and cooling networks – and industrial energy solutions, considering them key factors in achieving Estonia's green transition goals.

Gren supports policies that:

- Utilize renewable energy sources, such as biomass and waste heat recovery to provide communities with affordable, stable, and low-carbon energy solutions.
- Rely on local fuels and do not support the use of foreign fossil fuels.
- Align with European and Estonian national climate objectives, ensuring the central role of district heating in local and regional carbon reduction planning.

In addition to maintaining close communication with the Estonian Ministry of Climate to ensure that our activities align with the government's climate goals we also collaborate closely with municipal governments and city councils in each of our operating regions in the country.

We advocate for the prioritization of local renewable energy-based district heating in legislation and policymaking, seeing it as a measurable solution to reducing CO_2 footprints, strengthening energy security, and creating green jobs.

We strive to ensure transparency in our advocacy efforts by engaging directly with policymakers and regularly informing the public about our key projects and partnerships. For instance, we actively participate in the work of the Estonian Power and District Heating Association and the Estonian Renewable Energy Association, while also closely cooperating with the Competition Authority, the Ministry of Climate, and other relevant institutions.

We are involved in developing district heating reforms and promoting the utilization of waste heat. In Tartu, for example, we collaborate with private enterprises and the city government to integrate waste heat from hazardous waste incineration into the district heating system.

Together with the City of Tartu and the municipally owned water utility, Tartu Veevärk, we participate in a project to use wastewater heat for district heating.

As providers of critical services, we are also involved in local government crisis management teams.

In the UK, Gren's advocacy efforts focus on promoting low-carbon, decentralized energy systems, particularly district heating networks, as essential to achieving the UK's and Scotland's net zero commitments and economic growth targets.

We support policies that:

- Leverage waste heat recovery and renewable energy to deliver affordable, stable, and decarbonized energy solutions for communities.
- Align with Scotland's Local Heat and Energy Efficiency Strategy (LHEES), ensuring district heating plays a pivotal role in local and regional planning for carbon reduction.
- Establish Heat Network Zoning to incentivize and streamline heat network development, as envisioned by the UK government's decarbonization strategy.

In Scotland, we collaborate closely with Glasgow City Council and government officials, to ensure alignment with the Scottish Government's climate ambitions. We advocate for district heating to be prioritized in legislation and policy as a scalable solution to reduce emissions, bolster energy security, and create green jobs.

We aim for transparency by engaging with policymakers and updating the public through projects and partnerships. For example, we actively participate in the Heat Network

Industry Council (HNIC), a national forum for influencing government policy on heat networks.

We regularly consult with Scottish officials to align our flagship Energy on Clyde project with Glasgow's Local Heat and Energy Efficiency Strategy (LHEES) and Net Zero targets.

As a company, Gren adheres to strict governance standards and focuses on ethical, transparent engagement with government and political stakeholders. We collaborate with elected representatives and policymakers to align projects with legislative priorities, including the Heat Network (Scotland) Act 2021, which establishes a regulatory framework for heat networks.

Our partnerships in the UK emphasize mutual goals such as decarbonization, energy security, and economic development, ensuring that all contributions and engagements advance public benefit and comply with regulatory requirements. Specifically for work in Scotland, we comply with the Lobbying (Scotland) Act 2016, which establishes a framework for transparency in lobbying activities within Scotland.

In Latvia, Gren's advocacy efforts focus on promoting renewable energy-based local fuels, modern and fairly regulated district heating, industrial energy solutions, and the adoption of modern waste-to-energy technologies in energy production. We consider these key factors in achieving Latvia's environmental targets, including reducing the amount of non-recyclable waste currently sent to landfills.

Gren supports policies that:

- Promote the use of local renewable energy sources, such as biomass, and waste heat recovery to provide affordable, stable, and low-carbon energy solutions.
- Reduce dependence on imported fossil fuels, prioritizing local energy security.
- Ensure a fair and competitive district heating market in Latvian cities.
- Promote introduction of modern waste-to-energy solutions in energy production to achieve Latvia's climate targets.
- Align with European and national climate objectives, recognizing district heating as a crucial solution for CO_2 emission reductions and regional sustainability.

We engage with policymakers and participate in national discussions to highlight the role of modern district heating and energy recovery from waste in achieving climate neutrality goals. We maintain close communication with the Latvian Ministry of Climate and Energy (KEM) to ensure our activities align with the national climate targets. Gren actively contributes to district heating regulatory reforms and collaborates with policymakers to ensure practical policy implementation.

In 2024, Gren has actively worked on waste-to-energy project's development in Acone, near Riga, to enhance sustainable waste management. We engaged with local communities by organizing informal information meetings to share our experience in similar projects and to maintain a mutual and transparent dialogue.

During the Environmental Assessment process of the project, we held official public hearings to maintain transparency and involve stakeholders in the decision-making process.

In Jelgava and Gulbene, where Gren operates district heating systems, we work closely with municipalities and city councils to support decarbonization and sustainable urban development.

Gren actively participates in industry associations and has a dialogue with NGOs to contribute to energy policy discussions. We are members of, for instance, Latvian District Heating Companies Association, Foreign Investors'Council in Latvia, Latvian Waste Management Companies Association and others.

By working with these organizations, we ensure that district heating, renewable energy, and waste-to-energy solutions remain at the forefront of national energy discussions.

Gren adheres to high governance standards, ensuring ethical and transparent engagement with government and political stakeholders. We advocate for legislative improvements that support long-term investments in sustainable energy and district heating. By working with regulatory authorities and policymakers, we help shape policies that drive decarbonization, energy security, and economic resilience.

As provider of critical services, we are also involved in local government crisis management teams.

In Lithuania, Gren's advocacy efforts focus on renewable energy and the promotion of local fuels. We advocate for the use of biomass and other renewable sources to provide affordable, stable, and low-carbon energy solutions. This approach aims to reduce dependence on imported fossil fuels while enhancing local energy security and sustainability.

We also work to advance modern, sustainable district heating systems, by emphasizing fair regulation and competitive markets for efficient energy distribution. By supporting district heating reforms, Gren contributes to Lithuania's climate goals and regional sustainability efforts.

Additionally, we advocate for the adoption of advanced waste-to-energy solutions in Lithuania's energy sector. This initiative targets reducing non-recyclable waste sent to landfills, aligning with national environmental targets and promoting circular economy principles.

Gren's efforts align closely with both the European Union and Lithuanian national climate objectives. We actively engage with policymakers and government bodies to ensure our initiatives effectively support carbon reduction and sustainable development goals.

Across Lithuanian communities, we foster transparency through direct engagement with residents, community leaders, and stakeholders. By organizing meetings, tours, and other informational sessions, we gather feedback and ensure openness in decision-making processes related to energy projects and policy advocacy.

Collaboration is key to our approach. We partner with industry associations, non-governmental organizations, and academic institutions, actively contributing to organizations such as the Lithuanian District Heating Association. This fosters dialogue and cooperation in advancing sustainable energy solutions and innovative technologies.

Driven by high governance standards, we advocate for legislative reforms that support long-term investments in sustainable energy infrastructure. Our policy efforts also focus on enhancing economic resilience, energy efficiency, and environmental stewardship, ensuring a robust foundation for Lithuania's energy transition.

CASE: STRENGTHENING CYBERSECURITY TO ENSURE RESILIENT ENERGY SOLUTIONS

Gren's robust cybersecurity measures ensure uninterrupted energy services while safeguarding sensitive data.

As digitalization transforms the energy sector, Gren is stepping up its cybersecurity efforts to maintain trust with stakeholders and comply with evolving regulations. In 2024, Gren's cybersecurity initiatives achieved a Cyber Quontient (CyQu) score of 3.1 – 0.6 points higher than the industry average. This reflects significant advancements in the company's resilience and operational security.

"Cybersecurity is central to trust, one of our core values. It protects sensitive data, ensures compliance, and supports the uninterrupted delivery of sustainable energy," explains Tomas Miškūnas, Gren's Chief Information Officer.

Key advancements in Gren's cybersecurity strategy include the implementation of a 24/7 Security Operations Center (SOC) to monitor the company's data infrastructure, privileged access management systems, and improved multi-factor authentication policies, which provide tighter controls over third-party connections.

Employee training and awareness are cornerstones of Gren's approach to cybersecurity. The company has integrated regular phishing simulations and cybersecurity modules into its learning management system, ensuring that staff remain vigilant against potential threats. Employees are encouraged to recognize and report suspicious activity, to foster a proactive culture of accountability.

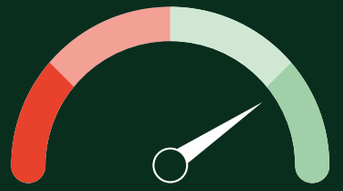
DEVELOPING EMPLOYEES' AWARENESS AND EXPERTISE

"Awareness is our first line of defense," says Miskunas. "This approach has already shown tangible results, with staff not only identifying phishing attempts but also learning from simulated campaigns." By equipping employees with the knowledge and tools to respond effectively, Gren strengthens its overall security stance, creating a resilient workforce capable of adapting to emerging cyber risks. These measures have been complemented by disaster recovery drills, which mimic real-life scenarios to enhance the company's preparedness for potential breaches.

"A critical aspect of cybersecurity is continuous evolution," he emphasizes. "We must stay a step ahead of attackers, especially as advancements in technology such as AI enter their toolkit." This approach is evident in Gren's secure network designs, which isolate operational technologies from internet exposure, minimizing vulnerability to cyberattacks.

Gren's commitment to cybersecurity also extends to its partners. The company requires them to sign a Supplier Code of Conduct, ensuring a common approach to critical threats. For example, Gren and its partners communicate openly about any detected cyberattacks, to limit each other's exposure and raise awareness during any incidents.

By prioritizing cybersecurity, Gren not only protects its infrastructure but also supports its mission of decarbonizing the energy sector. The company prepares for ISO 27001 certification and to certify its Estonian entities for compliance with this standard in 2025, making sure Gren is aligned with the latest security standards and further strengthening its position as a leader in sustainable energy solutions.



Gren CyQu score: 3.1
(Scale: 1–4)
Industry average: 2.5

REPORTING PRINCIPLES FOR GREENHOUSE GAS EMISSIONS AND HR FIGURES

GREENHOUSE GAS DATA

Greenhouse gas (GHG) accounting, also known as carbon accounting, is the process of quantifying the GHG emissions resulting from the direct and indirect operations and activities of a company. The approach adopted for GHG accounting at Gren is to follow the GHG Protocol and Partners Group's GHG Accounting Playbook.

Gren's Management has adopted an operational control approach for organizational boundary setting.

The Gren Group of companies as at 31.12.2024 is in the scope of calculation, with the following exceptions:

- All "office only" locations, such as group-, branch- or sales offices with no production, are omitted from reporting based on non-material Scope 1 and Scope 2 emissions.
- Retrofit Lighting is omitted from reporting based on non-material Scope 1 and Scope 2 GHG emissions.
- For Eleport, only electricity use related to EV charging for own use is included in GHG disclosures.

Operational boundary setting involves the identification of direct and indirect emission sources within the organizational boundary.

Operational boundary settings defined for Gren are:

Direct GHG emissions which come from sources that the business owns or controls.

Scope 1 emissions include:

- stationary combustion – fuel used for combustion in boilers.
- mobile combustion - fuel used for company leased and owned vehicles.
- fugitive emissions, equipment leakage, such as refrigerant leakage from air conditioners, chillers, and heat pumps which have been installed into Gren production units.

Indirect GHG emissions produced as a result of operations or business needs of the reporting company, but at sources that are owned or controlled by another entity.

Scope 2 emissions include:

- electricity purchased from grid for own use
- heat purchased for own use.

A company may emit various GHGs from different fuel types, raw materials, and refrigerants used in its business activities. There are seven types of GHGs recognized in the GHG Protocol: Carbon Dioxide (CO_2), Methane (CH4), Nitrous Oxide (N2O), Hydrofluorocarbons (HFC), Perfluorocarbons (PFC), Sulphur Hexafluoride (SF6) and Nitrogen Trifluoride (NF3).

DATA COLLECTION

Data collection for GHG accounting is conducted on a yearly basis in January for the reporting period of the previous year. Scope 1 and Scope 2 data is collected from different systems of production units and aggregated to a GHG accounting software platform.

Data collection for Scope 1:

- Stationary combustion – fuel usage data for calculating stationary combustion emissions is gathered from different sites' fuel and production systems. Measurement units are GWh or kilotons.
- Mobile combustion – fuel usage data for Gren-owned and controlled vehicles is collected from invoices or gas station e-portals when available.
- Fugitive emissions – top up values are reported only. Data is received from service providers or are metered at site.

Data collection for Scope 2:

- Electricity purchased from grid – data collection done through invoices or e-portals.
- Any heat purchases are collected from invoices.

WORKFORCE-RELATED DATA

Definitions and boundaries

In the scope of Workforce, related KPIs are the entities where employment activities have taken place and where Gren has operational control.

The 'Total number of employees' refers to the total number of individual employees. An 'employee' is defined as an individual who is in an employment relationship with the organization, according to national law or its application. An employee may provide services to an entity on a full-time, part-time, permanent, casual, or temporary basis.

Data collection

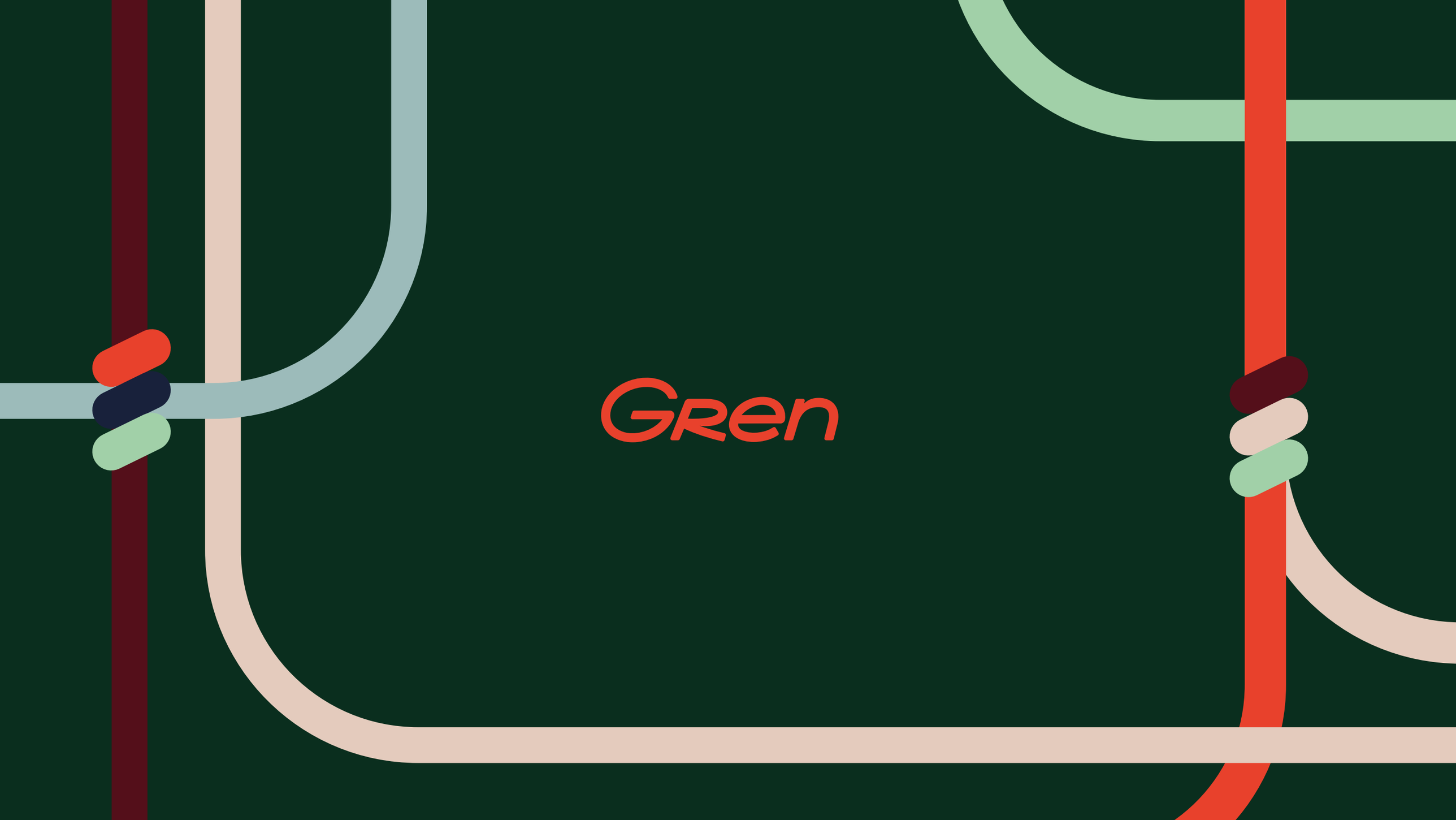
Data collection and management is done at the group level and aggregated to the Gren personnel system.

Calculation methodology

The total number of employees is calculated as of 31.12.2024 and includes employees having an employment relationship with the organization, according to national law or its application.

Summary: Reference to ESRS (European Sustainability Reporting Standards)

ESRS 2	ESG at Gren, pages 14–29
ESRS E1	Climate change and decarbonization, pages 20–21
ESRS E2	Preventing and controlling pollution, pages 21–22
ESRS E4	Protecting and enhancing biodiversity and ecosystems, page 22
ESRS E5	Circular economy actions, page 22
ESRS S1	Safety, employee engagement, pages 24–26
ESRS S2	Suppliers, page 25
ESRS S3	Local communities, page 26
ESRS G1	Governance at Gren, pages 27–30


Gren